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SUBJECT: SBY LAYS OUT HIS PRIORITIES TO US-ASEAN BUSINESS COUNCIL

¶1. (SBU) Summary. President SBY identified climate change, investment and democracy as key priorities in public remarks delivered at a gala dinner hosted by the US-ASEAN Business Council on October 25th. SBY highlighted the COP-13 conference in Bali as a "top priority" that he hoped would result in a "Bali Roadmap" for achieving a global framework on climate change. He also outlined Indonesia's efforts to enhance its economic competitiveness. He expressed satisfaction with U.S.-Indonesian relations and added that Indonesia is "actively recalibrating this important partnership" to put it on a higher level. End Summary.

Climate Change a Top Priority

¶2. (SBU) President SBY described climate change as "at the top of my Government's agenda" and highlighted Indonesia as host of the United Nations Conference on Climate Change in Bali in December. He expressed the goal that the conference will result in a "Bali Roadmap" that could serve as a blueprint to achieve a post-2012 global framework on climate change. He also reaffirmed Indonesia's commitment to addressing deforestation and expectations that forestry issues be integrated into any post-2012 framework.

SBY Wants More Investment

¶3. (SBU) SBY discussed Indonesia's efforts to enhance its competitiveness, and attached great importance to attracting new investment. He also emphasized growth with equity, explaining that economic growth must have a tangible impact on public good. SBY touted Indonesia's strong macroeconomic condition and listed off reform initiatives including the new investment and customs laws as well as development of special economic zones (SEZs) and reduction of the number of days to start a business. He also reaffirmed his commitment to increasing spending on health and education while maintaining a balanced budget.

Democracy On the Move

¶4. (SBU) The President said that that "democracy is taking roots locally" and applauded the success of local elections throughout the country. He described his ambition to change the orientation of Indonesian politics from the political elite to "more around the people, the way a democracy should be." He highlighted reform efforts including the "strongest anti-corruption drive in our history." The President also referenced his own strong electoral mandate resulting from the world's largest and most complex

election.

US-Indonesian Relations Strong

15. (SBU) SBY's remarks were mostly optimistic and forward thinking however he did warn of "tough days ahead" in the global economy exacerbated by skyrocketing oil prices as well as turbulence in global financial markets resulting from the sub-prime mortgage problem. He expressed satisfaction with U.S.-Indonesian relations describing it as "solid and stable", adding that Indonesia is "actively recalibrating this important partnership" to put it on a higher level.

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